

SKAMANIA COUNTY, WASHINGTON
January 1, 1995 Through December 31, 1995

Schedule Of Findings

1. The Skamania County Auditor's Office Should Charge Its Fees According To Law

During our review of the Skamania County Auditor's Office, we found that the required fees (\$1 per copy) were not charged for preparing noncertified copies for the public, nor for two title companies.

The auditor's office charged \$.50 per page for preparing noncertified copies for the public. The office made almost 2,600 of these copies during 1995. Consequently, the undercharge cost the county approximately \$1,300 in lost revenue.

Additionally, the auditor's office has a contract with two title companies, which allows them each to pay a flat rate of only \$125 per month for copies. According to auditor's office records, they prepared 6,823 copies for each of the companies during 1995. For this service, the individual companies paid only \$1,500. This represents a revenue loss of \$10,646 to the county.

RCW 36.18.010 states in part:

County auditors or recording officers shall collect the following fees for their official services:

. . . for preparing noncertified copies, for each legal size page, one dollar

Incorrectly charging for the copies resulted in total revenue loss of nearly \$11,950 during 1995. The county auditor believed that his contract with the title companies entitled him to set a special rate for these customers. He did not give a reason for undercharging the general public. We find no legal authority for the auditor to charge an amount different from that required by law.

We recommend that the Skamania County Auditor's Office charge only the specified copy fees and cease the practice of allowing a special rate for the title companies or any other class of customers not provided for in the law.

2. Skamania County Auditor Should Improve Recordkeeping For Minutes Of The Board Of County Commissioners

We found that the clerk of the board of county commissioners (Skamania County Auditor) is not following state law in maintaining the minutes of the board of county commissioners meetings. Exceptions noted during our review are summarized as follows:

- a. Board minutes were not submitted by the auditor's office to the county commissioners for approval in a timely manner. Of the 80 meetings reviewed during the period January 1, 1995, through June 24, 1996, the minutes from 28 meetings were submitted for approval more than 15 days after the meeting, with minutes of one meeting as long as 42 days after the meeting.
- b. Official minutes kept by the auditor's office were disorganized and incomplete. The auditor's staff did not provide the official minutes for our review until two days after they were requested. When finally provided, the minutes did not include any attachments, which were a part of the official meetings record. The employee responsible for these documents informed us that she had the attachments, although not properly filed.
- c. Minutes of seven meetings did not appear to be publicly approved. However, during further review we determined that the minutes from these meetings were approved during open public meeting, but the approval was not documented in the official minutes.
- d. Official resolutions were disorganized and incomplete. As clerk of the board, the auditor's office is also responsible for keeping the board resolutions. We found several resolutions were missing from the file folder, and the file sometimes contained copies instead of the original documents.

RCW 36.22.020 states:

It shall be the duty of the county auditor of each county, within fifteen days after the adjournment of each regular term, to publish a summary of the proceedings of the board of county commissioners at such term, in any newspaper published in the county or having a general circulation therein, or the auditor may post copies of such proceedings in three of the most public places in the county.

RCW 36.32.140 states in part:

The board of county commissioners shall cause to be recorded, in a book kept for that purpose, all their proceedings and determinations touching all matters cognizable before it; all books, accounts, vouchers, and papers, touching the business or property of the county shall carefully be kept by the clerk

RCW 42.32.030 states:

The minutes of all regular and special meetings, except executive sessions of such boards, commissions, agencies or authorities shall be promptly recorded and such records shall be open to public inspection.

The auditor's office's tardiness in providing minutes to the board, has resulted in the

untimely review and approval by the board of county commissioners, and untimely publishing of the minutes. County employees indicate that the conditions cited have resulted in a number of citizen complaints about the condition and accessibility of the minutes and related public documents.

We recommend that the official Skamania County Commission meeting minutes be submitted timely to the board of commissioners for approval so that they may be published in a punctual manner according to law. We also recommend that the board minutes, including all attachments approved by the commissioners, be filed by the county auditor in a more organized manner.

3. The County Should Process All Employee Compensation Through Its Payroll System And Improve Controls Over Time Keeping Documents

During our review of the county's payroll system we found noncompliance with federal and state payroll statutes and weaknesses in internal controls over timecards as detailed below:

- **Employee Paid As A Contractor)** The county has a full time employee who also worked primarily on weekends processing Civil Service applications. When performing Civil Service duties, the county considered the individual an independent contractor and did not report her wages and weeks of work to the Washington State Employment Security Department. Additionally, they did not deduct or pay federal payroll taxes or state retirement benefits on these wages. Further, the hours she worked were paid separately from other duties performed for the county and were not considered in overtime calculations.

Our review indicates this individual was also a full time employee of the county and thereby did not meet the independence criteria of the statutes cited below. According to RCW 50.04.140, remuneration for services rendered by an individual is reportable employment unless it can be shown that the individual meets all three of the following tests of independence:

(a) Such individual has been and will continue to be free from control or direction over performance of such service, both under his or her contract of service and in fact; and (b) Such service is either outside the usual course of business for which such service is performed, or that such service is performed outside all the places of business of the enterprises for which such service is performed; and (c) Such individual is customarily engaged in an independently established trade, occupation, profession, or business, of the same nature as that involved in the contract of service.

Additionally, Internal Revenue Service (IRS), Circular E, Publication 15, also provides that if the employer has the legal right to control the method and result of the service, the individual is an employee.

- **Lack Of Timekeeping Documentation)** In at least six county departments, including the prosecuting attorney's office, clerk's office, District Court, Superior Court, extension agent, and historical museum; supervisors or their designees use planning calendars and other similar documents to record employee hours worked and leave taken. The employees in these departments do not certify the accuracy of hours reported.

RCW 43.09.200 states in part:

The state auditor, through such division, shall formulate, prescribe, and install a system of accounting and reporting which shall be uniform for every public institution, and every public office . . . The accounts shall show the receipt, use and disposition of all public property, and the income, if any, derived therefrom; all sources of public income, and the amounts due and received from each source; all receipts, vouchers, and other **documents kept or required to be kept, necessary to isolate and prove the validity of every transaction** (Emphasis ours.)

Paying employees outside of the payroll system exposes them to liability for retirement payments, state and federal payroll taxes, and related penalties. The absence of employee verified time records increases the risk that incorrect or improper payroll expenditures could be processed.

We recommend the county pay all individuals through the payroll system, unless they meet all the tests of independence according to the requirements of state and federal agencies. In addition, we recommend the county develop and enforce policies requiring time records, signed by employees, as documentation for all payroll payments.

4. The Sheriff's Office Should Establish Procedures For Tracking Disposition Of Citations

The Skamania County Sheriff's Office issues citations which are forwarded to various local courts. During our audit, we found that the sheriff's office kept no record of the final disposition of the citations. Although recorded in a database by issue date order, no final audit of the citations was performed as provided in the law. RCW 46.64.010 states:

. . . Such chief administrative officer shall also maintain or cause to be maintained in connection with every traffic citation issued by an officer under his supervision a record of the disposition of the charge by the court or its traffic violations bureau in which the original or copy of the traffic violation was deposited

RCW 46.64.010 also states:

. . . Every record of traffic citations required in this section shall be audited monthly by the appropriate fiscal officer of the government agency to which the traffic enforcement agency is responsible

The sheriff's office has not established the required procedures. This deficiency has resulted in a lack of citation accountability. Absent required controls, revenues could be missing and irregularities in citation disposition could occur and not be detected in a timely manner.

We recommend that the sheriff and court officials develop and implement procedures for tracking citations. We further recommend the sheriff's office perform the appropriate audit oversight as required by statute.